

Message Text

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16

ORIGIN COME-00

INFO OCT-01 NEA-10 ISO-00 EB-06 RSC-01 /018 R

66612

DRAFTED BY:COM/BIC/OIM:AWILLIAMS

APPROVED BY:EB/OCA/REP:JBRABENS

COM/BIC/OIM/RMD/FE:MSONNE COM/BIC/OIM:MADERHOLD

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R R 232321Z OCT 74

FM SECSTATE WASHDC

TO AMCONSUL MADRAS

INFO AMEMBASSY NEW DELHI

UNCLAS STATE 233770

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJECT: METTUR CHEMICALS/PRESSED STEEL TANK CO.

REF: MADRAS 1289

1. COMMERCE CALLED MR. GRIGGS, WHO IS RESPONSIBLE FOR INQUIRIES CONCERNING EXPORTS BY PRESSED STEEL, ON OCTOBER 18, 1974. GRIGGS GAVE SAME ACCOUNTING OF EVENTS AS METTUR. PRESSED STEEL IS NOT ACTUAL MANUFACTURER, BUT THE EXPORT AGENT FOR COLUMBIANA BOILER, WHICH MAKES THE CYLINDERS. CONSEQUENTLY, PRESSED STEEL HAS NO CONTROL OVER PRICES, WHICH HAVE BEEN INCREASING AT MINIMUM OF 10 PERCENT PER QUARTER. MOREOVER, INCREASED DEMAND AND REDUCED STEEL ALLOCATIONS FROM THE MILLS HAVE RESULTED IN PROTRACTED DELAYS IN DELIVERY. FOR THESE REASONS, EACH AMENDMENT TO THE LETTER OF CREDIT CAME TOO LATE TO PERMIT DELIVERY AT PREVIOUSLY AGREED PRICES. GRIGGS ESTIMATES THAT HE COULD ONLY DELIVER 40 CYLINDERS AT THE 1972 PRICE FOR 100 UNITS. UNDER THE CIRCUMSTANCES, GRIGGS FEELS THAT DOING BUSINESS UNDER EXISTING GOI-IMPOSED L/C PROCEDURES VIRTUALLY IMPOSSIBLE, IN VIEW OF RAPIDLY CHANGING PRICES IN THE STEEL FABRICATION INDUSTRY.

2. GRIGGS APPRECIATES THE CONCERN OF ALL INVOLVED AND
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WILL WRITE METTUR WITH COPY TO COMMERCE. HOWEVER, HE SEES

NO HOPE OF IMPROVEMENT FOR PRICE AND DELIVERY PROBLEMS IN
THE IMMEDIATE FUTURE. INGERSOLL

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Message Attributes

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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
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